

**DEPARTMENT OF THE AIR FORCE**

**PRESENTATION TO THE COMMITTEE ON ARMED SERVICES**

**SUBCOMMITTEE ON PERSONNEL**

**UNITED STATES SENATE**

**SUBJECT: RECRUITING AND RETENTION**

**STATEMENT OF:           LIEUTENANT GENERAL RICHARD “TEX” BROWN**

**DEPUTY CHIEF OF STAFF, PERSONNEL**

**UNITED STATES AIR FORCE**

**20 March 2002**

**NOT FOR PUBLICATION UNTIL RELEASED**

**BY THE COMMITTEES ON ARMED SERVICES**

**SUBCOMMITTEE ON PERSONNEL**

**UNITED STATES HOUSE OF REPRESENTATIVES AND UNITED STATES SENATE**

## INTRODUCTION

Mr. Chairman and distinguished Members of the Committee, it is a tremendous honor to appear before you to present our Air Force Personnel priorities on behalf of the dedicated men and women of the United States Air Force. Every airman owes Congress, and particularly the Members of this Committee, their gratitude for your staunch support last year which included improving military pay and compensation through targeted pay raises (largest pay increase since 1982), and reducing out-of-pocket expenses of all service members. Your passage of last year's National Defense Authorization Act sent a very clear message to America's Air Force that their valiant efforts and selfless service are appreciated.

The events of 2001 brought poignant change to our **People** focus in the Air Force. On average, we were deploying our people at a rate three times higher than 10 years ago. However, after the events of 11 September 2001, the demand on the Total Force war fighting skills significantly increased; and we are stepping up our efforts to meet the challenge. Operations NOBLE EAGLE and ENDURING FREEDOM have levied significant additional operational requirements for homeland security, anti-terrorism, and force protection. The Total Force is overstressed due to these operations.

To bear the complexities and challenges of 11 September world events in the short term, we mobilized our forces and instituted Stop Loss to sustain the surge in new requirements. This has been a coordinated effort with our Air Reserve Component. However, these initiatives are not viable options for sustaining this long-term campaign. It is imperative that we address the need to meet our war fighting requirements in the near term to enable the release of Stop Loss specialties, provide relief on augmentation, and to begin the demobilization process. Our long-term task is to shift resources from "tail" to "tooth" through the transformation of the force.

Recognizing these initiatives will take time, we are seeking relief in the short term. The Air Force cannot lose pace as we continue to concentrate our efforts on attracting and retaining the right people with the right skills to lead us in the 21st Century.

We are giving top priority to quality of life initiatives and competitive compensation and benefits legislation. These initiatives help us achieve our recruiting goals and make steady strides in retaining our best people in the right skills, despite the increasing demands we are placing on our people.

Due to the terrorist attacks, increased operations and homeland defense have further amplified the stress on our critical career fields. Our attention now turns to sizing the force appropriately to meet new demands, steady state maintenance of our recruiting initiatives, and continued focus on achieving our retention objectives. We will continue to review and improve on how we develop, educate, and train our people to keep our military force technologically superior.

With that in mind, we have formally established the Developing Aerospace Leaders Support Office chartered to understand the leadership needs of our transforming aerospace force and design a requirements-driven, competency-based development strategy that creates Air Force members better prepared to serve and lead in that environment. Our Expeditionary Aerospace Force calls for more diversified leaders—Airmen with the balanced depth in mission area and breadth necessary to effectively integrate the full range of air and space capabilities, achieving desired military effects.

The bottom line: people are the key to readiness and transformation. To retain high quality people, we must provide not only the appropriate compensation, but also deliberate educational and training opportunities so they develop into the kind of airmen we need to lead

our Air Force in the future. Further, our civilian force needs our continued attention to ensure we have the force management flexibilities in place to properly size and shape the force. Our civilian force is exceptional; however, the Air Force is facing difficulties replacing the loss of a skilled and experienced civilian workforce.

## **PERSONNEL FORCE SHAPING**

Our primary “People” focus this year is to meet the increasing demand for our war fighting skills. Through the implementation of the EAF structure, the Air Force has been able to better measure manpower requirements from TEMPO over time. We identified an enduring TEMPO of 2+ AEFs in the pre-Sep 11 environment with acute impact on manpower requirements supporting high demand/ low density (HD/LD) assets. Before 11 September we projected having on board 358,800 by the end of this fiscal year.

The events of 11 September exacerbated our overall TEMPO and have resulted in an ongoing reassessment of Air Force total manpower requirements. While we meet our short-term end strength requirements through the partial mobilization of the reserve components and Stop Loss actions, these tools may negatively affect Total Force retention down the road. We must plan to exit from Stop Loss, while also allowing our dedicated Air National Guard and Air Force Reserve personnel to return to their normal, citizen-airman roles in the future.

In achieving that end, Secretary Rumsfeld has challenged us to pursue more innovative solutions to offset the need for end strength growth. We see this as one more dimension of our transformation effort, and are investigating a variety of options for shifting resources from “tail” to “tooth”. We are also looking at cross leveling within our force to lessen impact on stressed career fields. Consistent with this strategy, the AF needs tools to shape our force as we transform, while maintaining a stabilized end strength with the correct skill mix. These “fixes”

will take time to develop and implement. However, the stress on our force is very much here and now.

## **RECRUITING**

In 1999, the Air Force fell short of its recruiting goal for the first time in 20 years. In response, we pulled out all the stops to fight the “recruiting war” and we’re winning. Without lowering standards, we exceeded the FY00 enlisted recruiting goal of 34,000 by over 400 and FY01 goal of 34,600 by almost 800. We still require 99% of our recruits to have high school diplomas and nearly 75% to score in the top half of test scores on the Armed Forces Qualification Test. In addition, we brought 1,155 prior-service members back on active duty; nearly double the number from FY99.

Meeting our overall goal is a positive trend; however, the United States economy continues to affect Air Force recruiting. We are transforming our force to meet mission requirements and to be successful; we must enlist airmen whose aptitudes match the technical requirements we need. In response to our missed FY00 recruiting goal for mechanical aptitude, we developed targeted recruiting programs for mechanically skilled recruits. A successful effort, we exceeded our goal in FY01 for these skills by 763. We did, however, fall short of our recruiting goal in the general skill area by 203. This area includes the Special Forces career field, which, like Security Forces, has become vital in light of current operations. We continue to focus our attention on these critical areas.

The Air Force is well postured, if needed, to increase recruiting goals. We can meet future recruiting challenges through our previously approved increases in advertising, a more robust recruiting force, and competitive compensation and benefits. In order to meet the growing enlisted accession requirements; we are employing a combination of accession bonuses, more

recruiters, and improved marketing including broader recruiter access to secondary and college school students. For FY02, we programmed an additional \$9 million for the enhanced initial enlistment bonus program, up from \$123.8 million in FY01. These bonus programs help to recruit hard-to-fill critical skills and to encourage recruiting during historically difficult recruiting months. Additionally we budgeted \$89.65 million for recruiting advertising in FY02, which is nearly five times the amount from FY98. Laying the foundations of more competitive compensation, a robust recruiting force, and increased advertising are the cornerstones for meeting future Air Force recruiting needs.

We face many of the same challenges with officer recruiting—a competitive job market for high-tech skills. Although we met overall officer accession goals in FY01, we continue to fall short for certain critical skills. We were nearly 250 below the accession goal for Scientist and Engineering career fields. In response to these critical shortfalls, we are working to fund an officer accession bonus in FY03 to attract these critical skills. Overall in FY01, we achieved 105% of our line officer accession target, despite a projected shortfall, up from 97% of our accession target in FY00. The Reserve Officer Training Corps (ROTC) produced a surplus of more than 100 officers in FY01, and projects a surplus of 100 in FY02. To attract more candidates, we offer contracts to freshmen cadets rather than waiting until their sophomore year, and a one-year commissioning program to attract both undergraduate and graduate students. Additionally, recent legislative gains which increased the maximum age for appointments as cadets into Senior ROTC scholarships programs further increases our recruiting opportunities.

We are also finding it difficult to recruit health care professionals. Many medical, dental, nurse and biomedical specialties are critically short. For example, only 80% of our clinical

pharmacy positions are currently filled. We are now reviewing accession initiatives for pharmacists.

## **RETENTION**

We are a retention-based force that continues to prove that experience improves readiness and mission capability. Retention remains a top priority and continues to challenge our resources. In FY02/03, approximately 46% of the enlisted force will be eligible to make a reenlistment decision. Things have changed since this time last year that may impact retention. The economy is not as strong; yet, patriotism is stronger than ever. And, with the help of Congress, our airmen now have better benefits. What has not changed is the increase in workload and TEMPO and the availability of higher-paying civilian jobs that match the experience and high-tech skills of our airmen. To sustain our readiness posture for rapid deployment, we must retain our highly trained, experienced, and skilled people. When we lose our experience, we increase recruiting and training requirements. Maintaining our technical expertise helps alleviate increased TEMPO in our stressed career fields. We are watching the affects of Stop Loss and the increased TEMPO of Operations Noble Eagle and Enduring Freedom and the possible negative affects on retention.

It is painstakingly clear that to retain the high caliber professionals we need to decisively win America's wars; we must provide a robust compensation package that rewards service, provides for an acceptable standard of living, and ensures a high quality of life. In this package we must continue to provide appropriate pay increases and continual reduction of out-of-pocket expenses incurred through moves, deployments, and other temporary duty. The Air Force must remain competitive if we are to maintain a superior all-volunteer force.

Because retention is more than improving quality of life, leadership must ensure all airmen know what they do is valued. As such, we created the Career Assistance Advisor (CAA) position to assist commanders in developing wing-level retention programs for our enlisted personnel. Career Assistance Advisors are making a positive impact across the force. Today, Air Force members are more aware of how they fit into the military and the benefits of service, which make them better equipped to make critical career decisions.

We also initiated an aggressive campaign to “re-recruit” our present force, to capitalize on efforts already begun by focusing on retaining our quality people. We recognize that our high-caliber airmen expect and need mentoring and career counseling. Initially, the re-recruiting effort focused on engineers; however, we will expand this effort to other critical skills, to include, but not limited to, pilots, navigators, and scientists.

We are paying close attention to officer retention trends, especially in critical skills. We monitor these trends through the officer cumulative continuation rate (CCR), or the percentage of officers entering their 4th year of service (six years for pilots and navigators) who will complete their 11th year of service given existing retention patterns. Although the FY01 CCR for pilots increased from 45% in FY00 to 49%, it’s significantly lower than the high of 87% in FY95. We have fully manned our cockpits, but our pilot staff manning has fallen to 51%. Since 11 September, we have witnessed a short-term patriotic dividend, but caution that long-term shortages remain. Since 11 September, we’ve seen 92 pilots return to active duty, but despite the “patriotic dividend,” we ended FY01 short 1,239 (9%) pilots and project to end FY02 short 902 (7%) pilots. Additionally, the airlines are forecasted to hire approximately 1,500 new pilots in CY02. The pilot force still is not healthy—the pain is just less severe. Simply training more new pilots does not solve the problem; retention of experienced pilots is the key.



The Aviator Continuation Pay program, coupled with pilot production increases and other initiatives, have helped to arrest inventory declines, and the pilot shortage has remained steady at approximately 8-9% of the requirement over the last three years. Because of the low production “bathtub” year groups created in the 1990s, even with relatively low retention assumed in our forecasting models, we expect to make some improvement in aggregate pilot inventory over the future year defense plan with increased production. However, toward the end of the decade, growing numbers of losses in larger year group sizes diminish much of the headway made until the effects of the 10-year active duty service commitment take hold soon thereafter. Granted, this situation is affected by recent events, but with the goal being economic recovery and operations tempo promising to remain a challenge, a continued robust Aviator Continuation Pay program will further diminish these negative effects toward the end of the decade.

The good news is the post 11 September long-term bonus take rate has increased to 43.2%, a 13% point increase over last year’s rate. On the other hand, this year’s group of eligible pilots is small. Therefore, the higher bonus take rate has not resulted in greater number actual numbers of pilots being retained, but the trend is positive. But, we continue to believe the pilot bonus continues to be the most effective tool to keep pilots.

The mission support officer FY01 CCR has held steady at 44%, although lower than the FY94 rate of 66%. Conversely, retention rates for several high-tech specialties have decreased—scientists (36%), developmental engineers (32%), and acquisition managers (40%). Navigator and air battle manager (ABM) rates in FY01 were 72% and 47% respectively, not high enough to solve our long-term problems in both of these areas.

Our retention trends and philosophy have not changed significantly since 11 September. Bonuses continue to be an effective tool in retaining our members and the recent legislative gains

are a positive step. Thanks to prompt Congressional action, we have the authority to implement bonuses, adjust funding to create retention allowances, and work toward implementing special salary rates for the most difficult to retain career fields. The Air Force recognizes the great need for these bonuses and has programmed funds accordingly. However, funding levels were cut during the appropriations process.

As mentioned earlier, the flexible Aviation Continuation Pay (ACP) program is an important part of our multi-faceted plan to retain pilots. Our FY01 program, where we offered ACP payments through 25 years of aviation service at up to \$25,000 per year, resulted in a substantial increase in committed personnel. Because of this success, we implemented a very similar design for the FY02 ACP program. In the near future, we plan to offer ACP to the other rated career fields: navigators and ABMs. Both the SECAF and the CSAF have approved the policy decision to implement a navigator and ABM bonus. Our navigators are a critical rated resource that is being used to fill pilot vacancies in headquarters staff positions—as a direct result of the Air Force’s pilot shortage. Using navigators to fill pilot staff positions has brought headquarters rated staff manning up from 51% to 76%. Currently, 22% of the navigator force is retirement eligible with no remaining service commitment and almost half the navigator force will be retirement eligible within the next five years. Our ABMs are just as important; they are a high demand/low-density career field, currently manned at only 76%. This already overstressed career field has been stretched even further since 11 September. We need to retain every ABM and navigator to maintain our war fighting capability; we hope to do this by offering them a bonus.

Personnel in eighty-two percent of our enlisted skills are now receiving reenlistment bonuses. The authorization to pay both officer and enlisted personnel in critical skills a retention

bonus of up to \$200,000 during a career, should help retain individuals in high demand by the civilian sector. We are initially targeting this new authority to officer career fields, to include scientists, developmental engineers and program managers. Also, the authority to increase special duty assignment pay provides the flexibility to target our arduous enlisted skills. The FY02 NDAA authorizes installment payment authority for the 15-year career status bonus, and the transfer of Montgomery G.I. Bill benefits to family members to encourage re-enlistment in critical specialties.

## **TRAINING AND EDUCATION**

There is no substitute for highly skilled, trained people--tied to successful readiness and transformation. Flexible, agile training enables rapid response to dynamic missions. However, meeting our training requirement has been a challenge in today's expeditionary environment. The war on terrorism and protecting our homeland from further attack has put additional strain on our infrastructure. Increased accessions stress our trainers as well as our training facilities. For example, during surge periods, we operate at maximum capacity by triple-bunking students in two-person dorm rooms.

Although we are holding steady on retention, lower enlisted retention rates add to our increasing training burden. Despite these challenges, our technical training schools have been able to meet their mission. To ensure we continue to have world-class training, we have increased our use of technology and streamlined training processes through advanced distributed learning to produce fully qualified airmen ready to support the mission. Since training is a continuous process throughout the member's career, we are also using emerging technologies to establish a training management system capable of documenting and delivering the right training, at the right time, to the right people.

Increased TEMPO also makes educational pursuits difficult. Our learning resource centers and Advanced Distributed Learning initiatives address this situation by offering deployed personnel education and testing opportunities through CD-ROM and interactive television. Additionally, we have joined with the other Services, the Department of Labor, and civilian licensing and certification agencies to promote the recognition of military training as creditable towards civilian licensing requirements.

If we are to transform the Air Force to meet 21st century challenges, we must invest in human capital. We can strengthen intellectual capital with increased and focused investment in advanced education. Our target is to increase the number of Air Force funded advanced degrees from world-class institutions in mission critical competencies. Our plan is to shape the Air Force Institute of Technology (AFIT) and Naval Postgraduate School partnership, creating Centers of Excellence and sustaining both schools as world-class educational institutions.

In summary, training and education has an impact on recruiting and retention. The expectation of receiving valuable training makes people want to join the Air Force. For six consecutive years, the Basic Military Training Survey Report validated that “gaining skills” and “job experience” as the second most compelling reason for joining the Air Force (from among 18 factors).

Defining the Air Force’s institutional training and educational requirements for leadership development allows the services to better weigh resource decisions and emphasizes to our people the institution’s investment in their careers. The Air Force is pursuing leadership development and career mentoring strategies, to prepare the Air Force Total Force for leadership in this century. These competency-based strategies are focused on understanding the leadership needs of our transforming force and creating a development process that will create Airmen

better prepared to serve and lead in that environment. The Air Force is examining more deliberate career broadening, emphasizing two categories of competencies--occupational (what we do) and universal (who we are). We are also examining potential changes to the professional growth of officers including the rationalization of advanced degrees and professional military education. Force readiness, sustainability, and mission performance all depend on selecting, training, and retaining the best individuals with the necessary skills, as well as motivating every member of the service and taking care of Air Force families.

### **CIVILIAN WORKFORCE SHAPING**

Since 1990, the Air Force has drawn down 100,000 civilian slots and constrained hiring as we attempted to minimize impact on existing employees. As a result, less than 10% of our civilians are in their first five years of service. In the next five years, more than 40% of our civilian career workforce will be eligible for optional or early retirement. While not all will retire simultaneously, historical trends indicate that approximately 33% of white-collar employees and 40% of blue-collar employees will retire the year they become eligible. In addition, downsizing over the past decade skewed the mix of civilian workforce skills, compounding the loss of corporate memory and lack of breadth and depth of experience. While we are meeting mission needs today, without the proper civilian force shaping tools, we risk not being ready to meet tomorrow's challenges.

The Air Force is facing difficulties replacing the loss of skilled and experienced staff. We are committed to accession and retention planning from the perspective of identifying the skill sets tomorrow's workforce will need.

To meet the demands of an increasingly technical force, we must invest in our current workforce. Our focus is on career broadening expansion, supervisory training, and skill

training/retraining. To help shape the civilian workforce, it is imperative that we fund civilian degrees and tuition assistance programs as well as provide flexibility to pay for job licenses and certifications. In fact, the FY02 NDAA authorized the payment of expenses to obtain professional credentials.

In addition, separation management tools are essential in shaping the force by opening the door to new talent so we are able to create the right skill mix. These initiatives include pay comparability and compensation and extending special Voluntary Separation Incentive Pay (VSIP) and Voluntary Early Retirement Authority (VERA) for workforce restructuring. Also, the FY02 NDAA provided the authority for a pilot program allowing for payment of retraining expenses.

## **QUALITY OF LIFE**

We place intense demands on our mission-focused Total Force and it's imperative that we provide our airmen with a quality life. The Air Force will, pursue necessary manpower; improve workplace environments; provide fair and competitive compensation and benefits; balance deployments and exercise schedules; provide safe, affordable, and adequate housing; enhance community and family programs; improve educational opportunities; and provide quality health care, as these have a direct impact on our ability to recruit and retain our people and sustain a ready force.

We thank Congress for the FY02 National Defense Authorization Act (NDAA), which provided the largest pay raise in twenty years. The mid-level and Senior NCOs received 7%-10%, junior enlisted members received a 6%-6.7% pay raise, and captains and majors received a 6%-6.5% raise. All other personnel received a 5% raise. In addition, you improved the Basic Allowance for Housing (BAH) rates effective 1 Jan 02, based on 11.3% out-of-pocket for the

National Median Housing Cost for each grade and dependency status. The FY02 NDAA also authorizes several additional travel and transportation entitlements that will reduce out-of-pocket expenses for our military personnel.

Providing safe and adequate housing enhances readiness and retention. The Air Force Dormitory Master Plan and Family Housing Master Plan identify and prioritize our requirements through new construction, revitalization, and privatization of existing military family housing and dormitories, while DoD is championing the reduction of median out-of-pocket housing expenses to zero by FY05.

The Air Force sets the standard in providing quality childcare and youth programs. Air Force childcare centers and all of its before- and after-school programs for children 6-12 are 100% accredited. In FY02, the Air Force will test using the extended duty childcare program to provide care to members working at missile sites and who need care for their mildly ill children.

The Air Force recognizes the economic benefit our members derive from the activities and services provided within our base community. Programs like child development, childcare, youth programs, fitness centers, libraries, skills development, clubs, golf courses, and bowling centers all offer programs and services that support and enhance the sense of community and meet our members' needs for relaxation and stress reduction. Beyond these benefits, on-base programs are part of the non-pay benefit system providing savings over the cost members would pay to receive similar services off base.

The Air Force continues to support the commissary and exchange benefits as vital non-pay compensation benefits upon which active duty, retirees, and reserve component personnel depend. Commissaries and exchanges provide: value, service, and support; significant savings

on high quality goods and services; and a sense of community for airmen and their families wherever they serve.

The recent implementation of DoD health care initiatives such as TRICARE for Life provide the missing link to the Air Force Medical Service's (AFMS's) population-based health care strategy. The AFMS continues to make great strides in its population health initiatives and customer satisfaction. Central to the AFMS's population health plan is its Primary Care Optimization program. This program improves clinical business processes through best use of medical personnel and other resources, assisted by robust information management systems that support effective decision-making. The Primary Care Manager by Name program provides much-needed continuity of care and, ultimately, better patient management by providers. Other population health initiatives include the Air Force Suicide Prevention program, which has served as a model for DoD and the nation in their efforts to address this significant public health issue. As a result of the expanded senior benefit and the AFMS's population health initiatives, health care customer satisfaction continues to rise in the Air Force. According to the latest Customer Satisfaction Survey Results, 90 percent of the Air Force's enrolled beneficiaries indicate they would enroll or re-enroll in TRICARE Prime if given the option. The overall satisfaction with clinics and medical care exceeds national civilian HMO averages.

## **IN CLOSING**

Our number one priority is to increase our war fighting skills to meet mission requirements. We understand we must optimize our current force, and transform the force to meet critical skill shortages over the long term. However, we have short-term requirements that are becoming more difficult to sustain.



The Air Force continues to attract and retain the highest quality individuals. We are successful when we have the flexibility to use the right tools to target needed areas, such as retention and force shaping. We also understand that we can never take our eye off recruiting and will continue our steady state maintenance of recruiting initiatives.

Although the Air Force was successful in FY01 in meeting recruiting goals, we have not been as successful in meeting retention goals. Meeting retention targets will continue to provide us the greatest challenge. There is no getting around the fact that bonuses have been our most successful incentive. We thank Congress for providing the authorities that give us the flexibility we require in targeting key skills. However, when funding is eliminated from our accounts, we lose our flexibility to target key war fighting skills, which impacts our force readiness and mission capability.

We also recognize the increasingly important role of civilians to our armed forces. They are our leaders, scientists, engineers and support force who provide reachback for deployed and forward-based forces. We need flexible tools and policies to manage this force.

We depend on a highly skilled, educated and technologically superior force. We continue to state that there is no substitute for high-quality people. Our airmen have met challenge after challenge and are proud to serve our nation, but they are tired. They consistently identify their number one quality of life issue is to have enough personnel to do the job. We continue to expect more and more with little relief in sight. It is imperative that we address our short-term war fighting needs today.

We thank you for the many tools you have provided—your continued support is critical to the Air Force future and to the future of our nation. We need your continued support to ensure the quality of life for our people and their family remains a priority.

I appreciate the opportunity to speak to this Committee and share the concerns of our proud and capable Air Force people.